

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)	
	:	Examiner: William H. Matthews
IAN M. PENN, ET AL.	)	
	:	Group Art Unit: 3738
Appln. No. 10/849,990	)	
	:	Confirmation No.: 8691
Filed: May 21, 2004	)	
	:	
For: EXPANDABLE STENT AND	)	June 13, 2006
METHOD FOR DELIVERY	:	
OF SAME	)	

**Mail Stop AF**

Commissioner for Patents

P.O. Box 1450

Alexandria, VA 22313-1450

**MISCELLANEOUS INCOMING LETTER-**

**SUBMISSION OF DOCUMENT UNDER 37 CFR § 1.97(i)**

Sir:

In accordance with 37 CFR § 1.97(i), please place the attached document in the subject application file.

Applicants' undersigned attorney may be reached in our Washington, D.C. office by telephone at (202) 625-3500. All correspondence should continue to be directed to our address as given below.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Richard P. Bauer', written over a horizontal line.

Attorney for Applicants  
Richard P. Bauer  
Registration No. 31,588

Patent Administrator  
KATTEN MUCHIN ROSENMAN LLP  
525 West Monroe Street  
Chicago, Illinois 60661-3693  
Facsimile: (312) 902-1061

Edward A. Mas II (*pro hac vice*)  
emas@mhmlaw.com  
James M. Hafertepe (*pro hac vice*)  
jhafertepe@mhmlaw.com  
Merle S. Elliott (*pro hac vice*)  
melliott@mhmlaw.com  
MCANDREWS, HELD & MALLOY, LTD.  
500 West Madison Street, 34th Floor  
Chicago, Illinois 60661  
Tel: (312) 775-8000; Fax: (312) 775-8100

J. Michael Jakes (*pro hac vice*)  
mike.jakes@finnegan.com  
Christine E. Lehman (*pro hac vice*)  
christine.lehman@finnegan.com  
Michael A. Morin (*pro hac vice*)  
michael.morin@finnegan.com  
FINNEGAN, HENDERSON, FARABOW,  
GARRETT & DUNNER, LLP  
901 New York Ave., NW  
Washington, DC 20001-4413  
Tel: (202) 408-4000; Fax: (202) 408-4400

Robert F. McCauley III (State Bar No. 162056)  
robert.mccauley@finnegan.com  
Lily Lim (State Bar No. 214536)  
lily.lim@finnegan.com  
FINNEGAN, HENDERSON, FARABOW,  
GARRETT & DUNNER, LLP  
Stanford Research Park, 3300 Hillview Avenue  
Palo Alto, CA 94304-1203  
Tel: (650) 849-6600; Fax: (650) 849-6666

Attorneys for Defendants,  
ADVANCED CARDIOVASCULAR SYSTEMS,  
INC., ABBOTT XYZ CORPORATION, and  
ABBOTT LABORATORIES

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

MEDTRONIC VASCULAR, INC.,  
MEDTRONIC USA, INC., MEDTRONIC, INC.,  
MEDTRONIC VASCULAR GALWAY, LTD.,  
and EVYSIO MEDICAL DEVICES ULC,

Plaintiffs,

v.

ADVANCED CARDIOVASCULAR SYSTEMS,  
INC., ABBOTT LABORATORIES, and ABBOTT  
XYZ CORPORATION,

Defendants.

AND RELATED COUNTERCLAIMS

Civil Action No. 06-1066 PJH

ANSWER AND COUNTERCLAIMS OF  
ADVANCED CARDIOVASCULAR  
SYSTEMS, INC., ABBOTT XYZ  
CORPORATION, AND ABBOTT  
LABORATORIES TO PLAINTIFFS'  
FIRST AMENDED AND  
SUPPLEMENTAL COMPLAINT

DEMAND FOR JURY TRIAL

Defendants Advanced Cardiovascular Systems, Inc., Abbott XYZ Corporation, and Abbott Laboratories (collectively "Abbott"), through their counsel, for their answer to the First Amended and Supplemental Complaint For Patent Infringement and Declaratory Judgment Relief (as modified by the parties' May 26, 2006 Stipulation) ("First Amended Complaint") filed by Plaintiffs, Medtronic Vascular, Inc., Medtronic USA, Inc., Medtronic, Inc., Medtronic Vascular Galway, Ltd., and Evysio Medical Devices ULC (collectively "Plaintiffs"), state, allege, and aver as follows:

**ANSWER TO PLAINTIFFS' FIRST AMENDED COMPLAINT**

**Jurisdiction and Venue**

1. Abbott admits that Plaintiffs purport to allege an action for patent infringement arising under Title 35 of the United States Code, including a claim under the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202. Abbott admits that this Court has jurisdiction over the subject matter of this action under 28 U.S.C. §§ 1331 and 1338(a).

2. Admitted.

**Intradistrict Assignment**

3. No response by Abbott is required to Paragraph 3 of the First Amended Complaint.

**Parties**

4. Upon information and belief, Abbott admits that Medtronic Vascular, Inc. is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in Santa Rosa, California, in this judicial district. Abbott is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 4 of the First Amended Complaint, and therefore denies the same.

5. Upon information and belief, Abbott admits that Medtronic USA, Inc. is a corporation organized and existing under the laws of the State of Minnesota, with its principal place of business in Minneapolis, Minnesota.

6. Upon information and belief, Abbott admits that Medtronic, Inc. is a corporation organized and existing under the laws of the State of Minnesota, with its principal place of business in Minneapolis, Minnesota.

7. Abbott is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 7 of the First Amended Complaint, and therefore denies the same.

8. Abbott is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 8 of the First Amended Complaint, and therefore denies the same.

9. Admitted.

10. Pursuant to the parties' May 26, 2006 Stipulation, Plaintiffs dismissed all claims against Guidant Sales Corporation ("GSC") and, as a result, GSC is no longer a party in this action. Therefore, no response by Abbott is required to Paragraph 10 of the First Amended Complaint.

11. Admitted.

12. Abbott admits that Plaintiffs purport to use "Abbott" in their First Amended Complaint to refer collectively to Abbott Laboratories and Abbott XYZ Corporation. Abbott is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 12 of the First Amended Complaint, and therefore denies the same.

13. Abbott admits that it has manufactured, distributed, marketed, offered for sale, or sold products in this judicial district and elsewhere in the United States. Abbott denies that it has manufactured, distributed, marketed, offered for sale, or sold infringing balloon catheters and stents. Abbott denies the remaining allegations contained in Paragraph 13 of the First Amended Complaint.

**Count I – Infringement of U.S. Patent No. 6,605,057 B2 By ACS and Guidant**

14. Abbott repeats and realleges its responses to Paragraphs 1 through 13 of the First Amended Complaint as if set forth herein.

15. Abbott admits that U.S. Patent No. 6,605,057 B2 ("the '057 patent"), entitled "Reinforced Monorail Balloon Catheter," states on its face that it was issued by the United States Patent and Trademark Office on August 12, 2003. Abbott admits that a copy of the '057 patent is attached to the First Amended Complaint. Abbott denies that the '057 patent was duly and legally issued. Abbott is without knowledge or information sufficient to form a belief as to the truth of the

1 remaining allegations contained in Paragraph 15 of the First Amended Complaint, and therefore  
2 denies the same.

3 16. Abbott is without knowledge or information sufficient to form a belief as to the truth  
4 of the allegations contained in Paragraph 16 of the First Amended Complaint, and therefore denies  
5 the same.

6 17. Abbott is without knowledge or information sufficient to form a belief as to the truth  
7 of the allegations contained in Paragraph 17 of the First Amended Complaint, and therefore denies  
8 the same.

9 18. Abbott is without knowledge or information sufficient to form a belief as to the truth  
10 of the allegations contained in Paragraph 18 of the First Amended Complaint, and therefore denies  
11 the same.

12 19. Abbott is without knowledge or information sufficient to form a belief as to the truth  
13 of the allegations contained in Paragraph 19 of the First Amended Complaint, and therefore denies  
14 the same.

15 20. Abbott is without knowledge or information sufficient to form a belief as to the truth  
16 of the allegations contained in Paragraph 20 of the First Amended Complaint, and therefore denies  
17 the same.

18 21. Denied.

19 22. Denied.

20 23. Denied.

21 **Count II – Infringement of U.S. Patent No. 6,190,358 B1 by ACS and Guidant**

22 24. Abbott repeats and realleges its responses to Paragraphs 1 through 13 of the First  
23 Amended Complaint as if set forth herein.

24 25. Abbott admits that U.S. Patent No. 6,190,358 B1 (“the ‘358 patent”), entitled  
25 “Reinforced Rapid Exchange Balloon Catheter,” states on its face that it was issued by the United  
26 States Patent and Trademark Office on February 20, 2001. Abbott admits that a copy of the ‘358  
27 patent is attached to the First Amended Complaint. Abbott denies that the ‘358 patent was duly and  
28 legally issued. Abbott is without knowledge or information sufficient to form a belief as to the truth

1 of the remaining allegations contained in Paragraph 25 of the First Amended Complaint, and  
2 therefore denies the same.

3 26. Abbott is without knowledge or information sufficient to form a belief as to the truth  
4 of the allegations contained in Paragraph 26 of the First Amended Complaint, and therefore denies  
5 the same.

6 27. Abbott is without knowledge or information sufficient to form a belief as to the truth  
7 of the allegations contained in Paragraph 27 of the First Amended Complaint, and therefore denies  
8 the same.

9 28. Abbott is without knowledge or information sufficient to form a belief as to the truth  
10 of the allegations contained in Paragraph 28 of the First Amended Complaint, and therefore denies  
11 the same.

12 29. Abbott is without knowledge or information sufficient to form a belief as to the truth  
13 of the allegations contained in Paragraph 29 of the First Amended Complaint, and therefore denies  
14 the same.

15 30. Abbott is without knowledge or information sufficient to form a belief as to the truth  
16 of the allegations contained in Paragraph 30 of the First Amended Complaint, and therefore denies  
17 the same.

18 31. Denied.

19 32. Denied.

20 33. Denied.

21 **Count III – Infringement of U.S. Patent No. 6,858,037 B2 by ACS and Guidant**

22 34. Abbott repeats and realleges its responses to Paragraphs 1 through 13 of the First  
23 Amended Complaint as if set forth herein.

24 35. Abbott admits that U.S. Patent No. 6,858,037 B2 (“the ‘037 patent”), entitled  
25 “Expandable Stent and Method for Delivery of Same,” states on its face that it was issued by the  
26 United States Patent and Trademark Office on February 22, 2005. Abbott denies that the ‘037 patent  
27 was duly and legally issued. Abbott is without knowledge or information sufficient to form a belief  
28

as to the truth of the remaining allegations contained in Paragraph 35 of the First Amended Complaint, and therefore denies the same.

36. Abbott admits that a copy of the '037 patent is attached to the First Amended Complaint. Abbott is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 36 of the First Amended Complaint, and therefore denies the same.

37. Abbott is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 37 of the First Amended Complaint, and therefore denies the same.

38. Abbott is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 38 of the First Amended Complaint, and therefore denies the same.

39. Abbott is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 39 of the First Amended Complaint, and therefore denies the same.

40. Abbott is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 40 of the First Amended Complaint, and therefore denies the same.

41. Denied.

42. Denied.

43. Denied.

**Count IV – Infringement of U.S. Patent No. 7,001,358 B2 by ACS and Guidant**

44. Pursuant to the parties' May 26, 2006 Stipulation, Plaintiffs dismissed all claims relating to U.S. Patent No. 7,001,358 B2 ("the '1358 patent"), including Count IV of the First Amended Complaint. Therefore, no response by Abbott is required to Paragraph 44 of the First Amended Complaint.



45. Pursuant to the parties' May 26, 2006 Stipulation, Plaintiffs dismissed all claims relating to the '1358 patent, including Count IV of the First Amended Complaint. Therefore, no response by Abbott is required to Paragraph 45 of the First Amended Complaint.

46. Pursuant to the parties' May 26, 2006 Stipulation, Plaintiffs dismissed all claims relating to the '1358 patent, including Count IV of the First Amended Complaint. Therefore, no response by Abbott is required to Paragraph 46 of the First Amended Complaint.

47. Pursuant to the parties' May 26, 2006 Stipulation, Plaintiffs dismissed all claims relating to the '1358 patent, including Count IV of the First Amended Complaint. Therefore, no response by Abbott is required to Paragraph 47 of the First Amended Complaint.

48. Pursuant to the parties' May 26, 2006 Stipulation, Plaintiffs dismissed all claims relating to the '1358 patent, including Count IV of the First Amended Complaint. Therefore, no response by Abbott is required to Paragraph 48 of the First Amended Complaint.

49. Pursuant to the parties' May 26, 2006 Stipulation, Plaintiffs dismissed all claims relating to the '1358 patent, including Count IV of the First Amended Complaint. Therefore, no response by Abbott is required to Paragraph 49 of the First Amended Complaint.

50. Pursuant to the parties' May 26, 2006 Stipulation, Plaintiffs dismissed all claims relating to the '1358 patent, including Count IV of the First Amended Complaint. Therefore, no response by Abbott is required to Paragraph 50 of the First Amended Complaint.

51. Pursuant to the parties' May 26, 2006 Stipulation, Plaintiffs dismissed all claims relating to the '1358 patent, including Count IV of the First Amended Complaint. Therefore, no response by Abbott is required to Paragraph 51 of the First Amended Complaint.

**Count V – Declaration of Infringement of the '057, '358, '037, and '1358 Patents by Abbott**

52. Abbott repeats and realleges its responses to Paragraphs 1 through 51 of the First Amended Complaint as if set forth herein.

53. On information and belief, Abbott admits that Guidant Corporation and Boston Scientific Corporation agreed to a publicly announced merger that closed on or about April 21, 2006. On information and belief, Abbott admits that Guidant Corporation was the parent of Advanced Cardiovascular Systems, Inc. ("ACS") prior to the close of the merger, but denies that Guidant

1 Corporation is the current parent of ACS. Abbott is without knowledge or information sufficient to  
2 form a belief regarding the remaining allegations contained in Paragraph 53 of the First Amended  
3 Complaint, and therefore denies the same.

4 54. Abbott admits that Abbott Laboratories agreed to acquire Guidant Corporation's  
5 vascular intervention and endovascular solutions businesses, including the business of making,  
6 offering for sale, and selling balloon catheters and stents for coronary applications. Abbott further  
7 admits that Abbott Laboratories agreed to pay several billion dollars in connection with that  
8 acquisition. Abbott denies the remaining allegations contained in Paragraph 54 of the First  
9 Amended Complaint. Abbott further notes that, because Plaintiffs dismissed all claims relating to  
10 the '1358 patent pursuant to the parties' May 26, 2006 Stipulation, no response by Abbott is required  
11 regarding that patent.

12 55. Abbott admits that, after Abbott Laboratories' acquisition of Guidant Corporation's  
13 vascular intervention and endovascular solutions businesses, Abbott has manufactured, distributed,  
14 marketed, offered for sale, or sold certain products that were made or sold by ACS and Guidant  
15 Sales Corporation prior to the acquisition. Abbott denies the remaining allegations contained in  
16 Paragraph 55 of the First Amended Complaint. Abbott further notes that, because Plaintiffs  
17 dismissed all claims relating to the '1358 patent pursuant to the parties' May 26, 2006 Stipulation,  
18 no response by Abbott is required regarding that patent.

19 56. Abbott denies that Plaintiffs are entitled to any relief in this action. Because  
20 Paragraph 56 of the First Amended Complaint is vague and unclear, Abbott is without knowledge or  
21 information sufficient to form a belief as to the truth of the remaining allegations contained in  
22 Paragraph 56, and therefore denies the same.

23 57. Denied.

24 58. Denied. Abbott further notes that, because Plaintiffs dismissed all claims relating to  
25 the '1358 patent pursuant to the parties' May 26, 2006 Stipulation, no response by Abbott is required  
26 regarding that patent.

**Plaintiffs' Prayer For Relief**

59. Abbott hereby incorporates its responses to Paragraphs 1 through 58 of the First Amended Complaint and denies that Plaintiffs are entitled to any relief or judgment whatsoever from Abbott, any other party, or the Court, either as prayed for in the First Amended Complaint or otherwise.

60. Abbott further denies each and every allegation contained in the First Amended Complaint that was not specifically admitted, denied, or otherwise responded to in this Answer and Counterclaims.

**AFFIRMATIVE DEFENSES**

**First Affirmative Defense**

**(No Cause of Action)**

61. The First Amended Complaint fails to state a claim upon which relief can be granted.

**Second Affirmative Defense**

**(No Infringement of the '057 Patent)**

62. Abbott has not infringed, and is not infringing, any valid and enforceable claim of the '057 patent in any manner.

**Third Affirmative Defense**

**(Invalidity of the '057 Patent)**

63. Each claim of the '057 patent is invalid for failure to meet the statutory and decisional requirements for patentability, including those of 35 U.S.C. §§ 101, 102, 103, 112, and/or 132(a).

**Fourth Affirmative Defense**

**(No Infringement of the '358 Patent)**

64. Abbott has not infringed, and is not infringing, any valid and enforceable claim of the '358 patent in any manner.

**Fifth Affirmative Defense**

**(Invalidity of the '358 Patent)**

65. Each claim of the '358 patent is invalid for failure to meet the statutory and decisional requirements for patentability, including those of 35 U.S.C. §§ 101, 102, 103, 112, and/or 132(a).

**Sixth Affirmative Defense**

**(No Infringement of the '037 Patent)**

66. Abbott has not infringed, and is not infringing, any valid and enforceable claim of the '037 patent in any manner.

**Seventh Affirmative Defense**

**(Invalidity of the '037 Patent)**

67. Each claim of the '037 patent is invalid for failure to meet the statutory and decisional requirements for patentability, including those of 35 U.S.C. §§ 101, 102, 103, 112, and/or 132(a).

**Eighth Affirmative Defense**

**(Inequitable Conduct)**

68. The '037 patent is unenforceable by reason of Plaintiffs' inequitable conduct in failing its duty of candor and good faith in dealing with the United States Patent and Trademark Office ("USPTO"), including its duty to disclose information material to patentability. In particular, Plaintiffs committed inequitable conduct by failing to disclose the European Patent Office's decision revoking European Patent No. EP-B-0888093 on December 17, 2003 to the USPTO during prosecution of the patent application that matured into the '037 patent. European Patent No. EP-B-0888093 is a European counterpart to the '037 patent. In addition, Plaintiffs made material misrepresentations to the USPTO during prosecution of the '037 patent regarding the priority dates to which the pending claims were entitled.

**Ninth Affirmative Defense**

**(Laches and Unreasonable Delay)**

69. Plaintiffs are barred from relief under the doctrine of laches and unreasonable delay.

**Tenth Affirmative Defense**

**(Waiver)**

70. Plaintiffs are barred from relief under the doctrine of waiver.

**Eleventh Affirmative Defense**

**(Estoppel)**

71. Plaintiffs are barred from relief under the doctrine of estoppel.

**Twelfth Affirmative Defense**

**(Double Patenting)**

72. Plaintiffs are barred from relief under the doctrine of double patenting.

**Thirteenth Affirmative Defense**

**(No Recovery)**

73. Plaintiffs are not entitled to any recovery with respect to any sales to the government.

**Fourteenth Affirmative Defense**

**(Lack of Standing)**

74. One or more of the Plaintiffs lacks standing to bring this action.

**Fifteenth Affirmative Defense**

**(Reservation of Defenses)**

75. Abbott reserves all affirmative defenses under Rule 8(c) of the Federal Rules of Civil Procedure, the Patent Laws of the United States, and any other defenses at law or in equity, that may now or in the future be available based on discovery or any other factual investigation concerning this case. In addition, because Plaintiffs dismissed all claims relating to the '1358 patent pursuant to the parties' May 26, 2006 Stipulation, Abbott has not set forth any affirmative defenses specifically directed to that patent.

**COUNTERCLAIMS**

Defendants and Counterclaim Plaintiffs, Advanced Cardiovascular Systems, Inc. and Abbott Laboratories (collectively "Abbott" hereafter), through their counsel, for their counterclaims against Plaintiffs and Counterclaim Defendants, Medtronic Vascular, Inc., Medtronic USA, Inc., Medtronic, Inc., Medtronic Vascular Galway, Ltd., and Evysio Medical Devices ULC (collectively "Plaintiffs" or "Counterclaim Defendants" as appropriate), state, allege, and aver as follows:

**Nature of Action**

1. Abbott counterclaims for a declaration of non-infringement and invalidity as to each and every patent claim of U.S. Patent Nos. 6,605,057 B2 ("the '057 patent"), 6,190,358 B1 ("the '358 patent"), and 6,858,037 B2 ("the '037 patent") (collectively "the Medtronic Patents"). Abbott further counterclaims for a declaration of unenforceability as to the '037 patent. Abbott's

counterclaims arise under the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, and the Patent Laws of the United States, 35 U.S.C. § 1 *et seq.*

### **Jurisdiction**

2. This Court has subject matter jurisdiction over Abbott's declaratory judgment counterclaims pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201-02, and 28 U.S.C. §§ 1331 and 1338(a). As demonstrated by the First Amended Complaint filed by Plaintiffs in this action, and the defenses and counterclaims raised by Abbott, an actual and justiciable controversy exists between Abbott on the one hand and Counterclaim Defendants on the other hand regarding (a) non-infringement and invalidity as to each and every patent claim of the Medtronic Patents and (b) unenforceability as to the '037 patent.

3. This Court has personal jurisdiction over Counterclaim Defendants.

### **Venue**

4. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b) and 1391(c).

### **Defendants-Counterclaim Plaintiffs**

5. Advanced Cardiovascular Systems, Inc. is a corporation organized and existing under the law of the State of California, with a principal place of business at 3200 Lakeside Drive, Santa Clara, California 95054.

6. Abbott Laboratories is a corporation organized and existing under the laws of the State of Illinois, with a principal place of business at 100 Abbott Park Road, Abbott Park, Illinois 60064-3500.

### **Plaintiffs-Counterclaim Defendants**

7. As alleged in the First Amended Complaint, Medtronic Vascular, Inc. ("Medtronic Vascular") is a corporation organized and existing under the laws of the State of Delaware, with its headquarters and principal place of business in Santa Rosa, California, within this judicial district.

8. As alleged in the First Amended Complaint, Medtronic USA, Inc. ("Medtronic USA") is a corporation organized and existing under the laws of the State of Minnesota, with its principal place of business in Minneapolis, Minnesota.

9. As alleged in the First Amended Complaint, Medtronic, Inc. ("Medtronic") is a corporation organized and existing under the laws of the State of Minnesota, with its principal place of business in Minneapolis, Minnesota.

10. As alleged in the First Amended Complaint, Medtronic Vascular Galway, Ltd. ("Medtronic Galway") is a corporation organized and existing under the laws of the Republic of Ireland, with its principal place of business in Galway, Ireland.

11. As alleged in the First Amended Complaint, Evysio Medical Devices ULC ("Evysio") is a corporation organized and existing under the laws of Nova Scotia, Canada, with its principal place of business in Vancouver, British Columbia.

12. In the First Amended Complaint, as modified by the parties' May 26, 2006 Stipulation, Plaintiffs have alleged as follows:

- (a) Medtronic Vascular is the current owner of the '057 and '358 patents;
- (b) Medtronic Galway is the exclusive licensee of Medtronic Vascular's rights to make and have made outside of the United States, and of its rights to import, to use, to sublicense others to use, to offer to sell, to sell, and to exclude others who are unlicensed from importing, using, offering to sell, or selling within the United States, products covered by the '057 and '358 patents;
- (c) Medtronic USA is the exclusive licensee of Medtronic Vascular's rights to use, to sublicense others to use, and to exclude others who are unlicensed from using, within the United States, products covered by the '057 and '358 patents; and
- (d) under the terms of their respective license agreements, each of Medtronic Vascular, Medtronic Galway, and Medtronic USA has the contractual right to exclude others from practicing the inventions claimed in the '057 and '358 patents and to bring the causes of action alleged in the First Amended Complaint relating to those patents.

13. In the First Amended Complaint, as modified by the parties' May 26, 2006 Stipulation, Plaintiffs also have alleged as follows:

- (a) Evysio owns all right and title to the '037 patent;
- (b) Medtronic is the exclusive licensee of the '037 patent in the field of the human coronary system;
- (c) Medtronic Galway is the exclusive sublicensee of Medtronic's rights to make and have made outside of the United States, and of its rights to import, to use, to sublicense others to use, to offer to sell, to sell, and to exclude others who are unlicensed from importing, using, offering to sell, or selling within the United States, stents covered by the '037 patent;
- (c) Medtronic USA is the exclusive sublicensee of Medtronic Galway's rights to use, to sublicense others to use, and to exclude others who are unlicensed from using, within the United States, stents covered by the '037 patent; and
- (d) under the terms of their respective license agreements, each of Medtronic, Medtronic Galway, and Medtronic USA has the contractual right to exclude others from practicing the inventions claimed in the '037 patent and to bring the cause of action alleged in the First Amended Complaint relating to that patent.

**Counterclaim Count I**

**(Declaratory Judgment of Non-Infringement)**

14. Abbott hereby incorporates by reference the allegations set forth in Paragraphs 1 through 13 of its Counterclaims as though set forth herein in their entirety.

15. In the First Amended Complaint, as modified by the parties' May 26, 2006 Stipulation, Plaintiffs have alleged that Abbott has been and is infringing one or more claims of each of the following patents: the '057 patent, the '358 patent, and the '037 patent.

16. Abbott denies that it infringes or has infringed any valid and enforceable claim of any of the Medtronic Patents.

17. There exists, therefore, an actual and justiciable controversy between Abbott and Counterclaim Defendants with respect to the non-infringement of any valid and enforceable claim of the Medtronic Patents.



18. Therefore, Abbott seeks entry of a declaratory judgment that it does not infringe, and has not infringed, any valid and enforceable claim of the Medtronic Patents.

**Counterclaim Count II**

**(Declaratory Judgment of Invalidity)**

19. Abbott hereby incorporates by reference the allegations set forth in Paragraphs 1 through 13 of its Counterclaims as though set forth herein in their entirety.

20. On information and belief, Counterclaim Defendants allege that each and every claim of the Medtronic Patents is valid.

21. Abbott alleges that each and every claim of the Medtronic Patents is invalid for failure to meet the statutory and decisional requirements for patentability, including those of 35 U.S.C. §§ 101, 102, 103, 112, and/or 132(a).

22. There exists, therefore, an actual and justiciable controversy between Abbott and Counterclaim Defendants with respect to the invalidity of each and every claim of the Medtronic Patents.

23. Therefore, Abbott seeks entry of a declaratory judgment that each and every claim of the Medtronic Patents is invalid.

**Counterclaim Count III**

**(Declaratory Judgment of Unenforceability)**

24. Abbott hereby incorporates by reference the allegations set forth in Paragraphs 1 through 13 of its Counterclaims as though set forth herein in their entirety.

25. On information and belief, Counterclaim Defendants allege that the '037 patent is enforceable.

26. Abbott alleges that the '037 patent is unenforceable by reason of Plaintiffs' inequitable conduct in failing its duty of candor and good faith in dealing with the USPTO, including its duty to disclose information material to patentability. In particular, Plaintiffs committed inequitable conduct by failing to disclose the European Patent Office's decision revoking European Patent No. EP-B-0888093 on December 17, 2003 to the USPTO during prosecution of the patent application that matured into the '037 patent. European Patent No. EP-B-0888093 is a European

counterpart to the '037 patent. In addition, Plaintiffs made material misrepresentations to the USPTO during prosecution of the '037 patent regarding the priority dates to which the pending claims were entitled.

27. There exists, therefore, an actual and justiciable controversy between Abbott and Counterclaim Defendants with respect to the unenforceability of the '037 patent.

28. Therefore, Abbott seeks entry of a declaratory judgment that the '037 patent is unenforceable.

**Prayer for Relief**

WHEREFORE, Defendants and Counterclaim Plaintiffs respectfully request that judgment be entered in its favor as follows:

A. For the First Amended Complaint to be dismissed, with prejudice, and Plaintiffs' requests for relief be denied entirely.

B. For a declaration that each and every claim of U.S. Patent No. 6,605,057 B2, U.S. Patent No. 6,190,358 B1, and U.S. Patent No. 6,858,037 B2 is invalid and not infringed.

C. For a declaration that U.S. Patent No. 6,858,037 B2 is unenforceable.

D. For Plaintiffs to be preliminarily and permanently enjoined from asserting that Defendants and Counterclaim Plaintiffs, or their officers, agents, representatives, stockholders, and/or customers, have infringed or are infringing any of the claims of the Medtronic Patents.

E. For Plaintiffs to be preliminarily and permanently enjoined from bringing suit against Defendants and Counterclaim Plaintiffs, or their officers, agents, representatives, stockholders, and/or customers, for infringement of any of the Medtronic Patents.

F. For a declaration that this case is an exceptional case under 35 U.S.C. § 285 and that Defendants and Counterclaim Plaintiffs be awarded their attorneys fees, costs, and other expenses incurred in this action.

G. For Defendants and Counterclaim Plaintiffs to be awarded such other and further relief as the Court may deem just and proper.

Respectfully submitted,

Dated: June 2, 2006

MCANDREWS, HELD & MALLOY, LTD.

FINNEGAN, HENDERSON, FARABOW, GARRETT &  
DUNNER, LLP

By: \_\_\_\_\_/s/  
Robert F. McCauley III  
Attorneys for Defendants  
ADVANCED CARDIOVASCULAR SYSTEMS,  
INC., ABBOTT XYZ CORPORATION and ABBOTT  
LABORATORIES

**DEMAND FOR JURY TRIAL**

Pursuant to Federal Rule of Civil Procedure 38, Advanced Cardiovascular Systems, Inc., Abbott XYZ Corporation, and Abbott Laboratories respectfully demand a trial by jury on all issues so triable raised by Plaintiffs' First Amended Complaint and/or Defendants' Answer and Counterclaims.

Respectfully submitted,

Dated: June 2, 2006

MCANDREWS, HELD & MALLOY, LTD.

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP

By: \_\_\_\_\_ /s/  
Robert F. McCauley III  
Attorneys for Defendants  
ADVANCED CARDIOVASCULAR SYSTEMS,  
INC., ABBOTT XYZ CORPORATION and ABBOTT  
LABORATORIES